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AMENDMENT NO. ____

Calendar No. ____

Purpose: To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to establish a new retirement and disability plan for certain employees of the Central Intelligence Agency.

IN THE SENATE OF THE UNITED STATES--99th Cong., 1st Sess.

S. 1527

To amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

Amendments intended to be proposed by Mr. Eagleton (for himself
and Mr. Stevens)

Viz:

1 Immediately following title III, insert the following:

2 TITLE IV--CENTRAL INTELLIGENCE AGENCY RETIREMENT

3 REFERENCES

4 Sec. 401. The Central Intelligence Agency Retirement Act
5 of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403
6 note) is amended--

7 (1) in section 111, by striking out ``When`` and
8 inserting in lieu thereof ``Except as otherwise provided
9 in section 302 of this Act, when``;

10 (2) by striking out ``this Act`` each place it
11 appears in title II except in sections 201 and 264, and

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1 inserting in lieu thereof ``this title``; and

2 (3) by inserting ``under this title`` after ``payable
3 from the Fund`` each place it appears in title II.

4 CONTRIBUTIONS TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT
5 AND DISABILITY SYSTEM

6 Sec. 402. Section 211 of the Central Intelligence Agency
7 Retirement Act of 1964 for Certain Employees (78 Stat. 1045;
8 50 U.S.C. 403 note) is amended--

9 (1) by inserting ``Except as provided in subsection
10 (d),`` before ``7 percent`` in the first sentence of
11 subsection (a); and

12 (2) by adding at the end thereof the following new
13 subsection (d):

14 ``(d)(1) In the case of a participant who was a
15 participant subject to this Act before January 1, 1984, and
16 whose service--

17 `` (A) is employment for the purposes of title II of
18 the Social Security Act and chapter 21 of the Internal
19 Revenue Code of 1954, and

20 `` (B) is not creditable service for any purpose under
21 title III of this Act or chapter 84 of title 5, United
22 States Code,

23 there shall be deducted and withheld from the basic pay of
24 the participant under this subsection during any pay period
25 only the amount computed pursuant to paragraph (2).

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1 “(2) The amount deducted and withheld from the basic pay
2 of a participant during any pay period pursuant to paragraph
3 (1) shall be the excess of--

4 “(A) the amount determined by multiplying the
5 percent applicable to the participant under subsection
6 (a) by the basic pay payable to the participant for such
7 pay period, over

8 “(B) the amount of the taxes deducted and withheld
9 from such basic pay under section 3101(a) of the Internal
10 Revenue Code of 1954 for such pay period.”.

*What is
this?*

11 OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY BENEFITS
12 Sec. 403. Section 221 of the Central Intelligence Agency
13 Retirement Act of 1964 for Certain Employees (78 Stat. 1045;
14 50 U.S.C. 403 note) is amended by adding at the end thereof
15 the following new subsection:

16 “(p)(1) Effective on the first day of the month in which
17 an annuitant, including a survivor, becomes 62 years of age,
18 the annuity computed under the other subsections of this
19 section and payable to the annuitant shall be reduced (but
20 not below zero) by the amount determined by multiplying the
21 amount of the old-age and survivors insurance benefits which
22 the annuitant is entitled to receive under section 202 of the
23 Social Security Act for the such month, if any, by a
24 fraction--

25 “(A) the numerator of which is the total of the

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1 wages (within the meaning of section 209 of the Social
2 Security Act) for service which is referred to in
3 paragraph (2) of this subsection for years before the
4 calendar year in which such month occurs, and

5 "(B) the denominator of which is the total of all
6 wages (within the meaning of section 209 of the Social
7 Security Act) and all self-employment income (within the
8 meaning of section 211(b) of the Social Security Act)--

9 "(1) of such annuitant, or

10 "(11) in the case of a survivor, of the
11 participant on whose service the annuity is based,
12 credited for years after 1936 and before the calendar
13 year in which such month occurs.

14 "(2) The service referred to in paragraph (1)(A) of this
15 subsection is service which is covered by amounts deducted
16 and withheld as provided in section 211(d), is service
17 described in subparagraphs (C) through (G) of section
18 210(a)(5) of the Social Security Act, and is taken into
19 account for the purpose of computing the annuity to which
20 paragraph (1) of this subsection applies."

21 TREATMENT OF CERTAIN RECALL SERVICE

22 Sec. 404. Section 271 of the Central Intelligence Agency
23 Retirement Act of 1964 for Certain Employees (78 Stat. 1052;
24 50 U.S.C. 403 note) is amended by adding at the end thereof
25 the following new subsection:

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1 “(c) Subsection (b) shall not apply to an annuitant who
2 becomes subject to title III of this Act by reason of recall
3 service.”.

4 CONFORMITY BETWEEN THE FEDERAL RETIREMENT SYSTEM AND THE
5 CENTRAL INTELLIGENCE AGENCY PENSION SYSTEM

6 Sec. 405. Section 292 of the Central Intelligence Agency
7 Retirement Act of 1964 for Certain Employees (50 U.S.C. 403
8 note) is amended by adding at the end thereof the following
9 new subsection:

10 “(c) The President shall maintain, under the same
11 conditions and in the same manner as provided in subsections
12 (a) and (b), existing conformity between the Federal
13 Retirement System provided in chapter 84 of title 5, United
14 States Code, and the Central Intelligence Agency Pension
15 System provided in title III of this Act.”.

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16 CENTRAL INTELLIGENCE AGENCY PENSION SYSTEM

17 Sec. 406. The Central Intelligence Agency Retirement Act
18 of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403
19 note) is amended by adding at the end thereof the following:

20 “TITLE III--CENTRAL INTELLIGENCE AGENCY PENSION SYSTEM —
21 “ESTABLISHMENT

22 “Sec. 301. (a) There is hereby established a Central
23 Intelligence Agency Pension System.

24 “(b)(1) Except as otherwise specifically provided in
25 this title or any other provision of law, all participants in

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1 the Central Intelligence Agency Pension System shall be
2 subject to the provisions of chapter 84 of title 5, United
3 States Code, and shall be treated in all respects as persons
4 whose participation in the Federal Retirement System provided
5 in that chapter is required by section 8402 of such title.

6 `` (2) Participants in the Central Intelligence Agency
7 Pension System may not make an election authorized by section
8 8418(c) of title 5, United States Code, and shall not be
9 entitled to any benefits under chapter 84 of such title which
10 result from such an election.

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11 ``DEFINITIONS

12 ``Sec. 302. As used in this title, unless otherwise
13 specified--

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14 `` (1) the term 'annuity' means the annuity which is
15 described in subchapter II of chapter 84 of title 5,
16 United States Code, and is payable to a Pension System
17 participant;

18 `` (2) the term 'dynamic assumptions' has the same
19 meaning as provided in section 8401(9) of title 5, United
20 States Code;

21 `` (3) the term 'Fund' means the Central Intelligence
22 Agency Retirement and Disability Fund maintained by the
23 Director pursuant to section 202;

24 `` (4) the term 'normal cost' means the entry-age
25 normal cost of the provisions of the System which relate

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1 to the Fund, computed by the Director in accordance with
2 generally accepted actuarial practice and standards
3 (using dynamic assumptions) and expressed as a level
4 percentage of aggregate basic pay, and shall be used to
5 value the cost of the System for all purposes for which
6 the cost of the System is required to be determined;

7 "(5) the term 'Pension System participant' means a
8 person who participates in the Central Intelligence
9 Agency Pension System;

10 "(6) the term 'supplemental liability' means the
11 estimated excess of--

12 "(A) the actuarial present value of all future
13 benefits payable from the Fund under this title, over

14 "(B) the sum of--

15 "(i) the actuarial present value of the
16 future contributions to be made on behalf of
17 participants pursuant to section 305(b)(2)(A) of
18 this Act; and

19 "(ii) the balance in the Fund attributable
20 to the System on the date the supplemental
21 liability is determined; and

22 "(7) the term 'System' means the Central
23 Intelligence Agency Pension System.

24 "PENSION SYSTEM PARTICIPANTS

25 "Sec. 303. (a) Except for persons excluded by subsection

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1 (b), all officers and employees of the Agency, any of whose
 2 service after December 31, 1983, is employment for the
 3 purpose of title II of the Social Security Act and chapter 21
 4 of the Internal Revenue Code of 1954 shall be Pension System
 5 participants.

6 "(b) Participants in the Central Intelligence Agency
 7 Retirement and Disability System who were participants in
 8 such system on or before December 31, 1983, and who have not
 9 had a break in service in excess of 1 year since that date,
 10 are not made Pension System participants by this section,
 11 without regard to whether they are subject to title II of the
 12 Social Security Act.

13 "SPECIAL RULES RELATING TO THE ENTITLEMENT OF SECTION 203
 14 EMPLOYEES TO ANNUITY

15 "Sec. 304. (a) Any Pension System participant who is
 16 described in section 203 and retires voluntarily or
 17 mandatorily under section 102(c) of the National Security Act
 18 of 1947 (61 Stat. 498; 50 U.S.C. 403(c)) or section 233 or
 19 235 of this Act under conditions authorizing an immediate
 20 annuity for participants in the Central Intelligence Agency
 21 Retirement and Disability System shall be entitled to an STAT
 22 immediate annuity computed under subsections (a)¹⁹⁰(2), (a)(3)
 23 and (c) of section 8413 of title 5, United States Code. The
 24 annuity shall not be subject to reduction under section 8414
 25 of such title.

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1 “(b) A Pension System participant who is entitled to an
2 immediate annuity under subsection (a) shall be entitled to
3 receive an annuity supplement while under 62 years of age. *Supplement*
4 The annuity supplement shall be based on the total creditable
5 service of the participant and shall be computed and
6 increased in accordance with section 8413(b) of title 5, *Social Security COLA*
7 United States Code.

8 “(c)(1) Any Pension System participant described in
9 section 203 may be retired under the conditions specified in
10 sections 233 and 235(a) and shall be retired under the
11 conditions specified in section 235(b). Each Pension System
12 participant so retired shall receive benefits under this
13 title.

14 “(2) For the purposes of this subsection--

15 “(A) the term ‘participant’, as used in the sections
16 referred to in paragraph (1), means a Pension System
17 participant described in section 203; and

18 “(B) the term ‘system’, as used in section 233,
19 means the Central Intelligence Agency Pension System.

20 “(d) Any Pension System participant described in section
21 203 who is separated under the conditions specified in
22 section 234(a) shall be entitled to a deferred annuity under
23 section 8412 of title 5, United States Code, unless the
24 Director determines that the separation was based in whole or
25 in part on disloyalty to the United States.

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FUNDING

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2 Sec. 305. (a) All payments under subchapters II, IV,
3 and VII of chapter 84 of title 5, United States Code, based
4 on the service shall be paid by the Director from the Fund.

5 (b)(1) All sums required to finance the payments
6 referred to in subsection (a) shall be credited to the Fund.

7 (2) The sums referred to in paragraph (1) are--

8 (A) amounts which are determined by the Director to
9 be necessary to defray the normal cost of the benefits,
10 other than disability benefits, payable under this title
11 to Pension System participants;

12 (B) the sums which are transferred to the Fund by
13 the Secretary of the Treasury to amortize over 30 years
14 the supplemental liability of the System which is
15 attributable to Pension System participants, as computed
16 at the end of each fiscal year beginning after September
17 30, 1987; and

18 (C) the sums which are transferred by the Secretary
19 of the Treasury to the Fund out of funds appropriated to
20 the Department of Defense for the purpose of paying the
21 costs incurred during any year which relate to the
22 creditable military service of Pension System
23 participants.

24 (c) At least every 5 years, the Secretary of the
25 Treasury shall prepare periodic valuations of the Central

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1 Intelligence Agency Pension System and shall advise the
2 Director of (1) the normal cost of the System, without regard
3 to the cost of disability payments, (2) the supplemental
4 liability of the System, and (3) the amounts necessary to
5 finance the costs of the System.

6 ``THRIFT SAVINGS PLAN

7 ``Sec. 306. (a) The Director, in consultation with the
8 Executive Director of the Federal Retirement Thrift
9 Investment Board, may--

10 ``(1) maintain exclusive records relating to Pension
11 System participants' elections, contributions, and
12 accounts under the Thrift Savings Plan provided in
13 subchapter III of chapter 84 of title 5, United States
14 Code; and

15 ``(2) provide for investments under the Thrift
16 Savings Plan to be made and accounted for by such
17 Executive Director in aggregate amounts for the Central
18 Intelligence Agency Pension System.

19 ``(b) The Director may make the necessary allocations of
20 earnings, losses, and charges to individual accounts of
21 Pension System participants under the Thrift Savings Plan.

22 ``(c) The Executive Director of the Federal Retirement
23 Thrift Investment Board may not exercise authority under
24 subchapter III or VIII of chapter 84 of title 5, United
25 States Code, in the case of the Central Intelligence Agency

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1 Pension System to the extent that the Director exercises
2 authority provided in subsections (a) and (b).

3 ``DISABILITY

4 ``Sec. 307. The Director, instead of the Office of
5 Personnel Management, may ^{act as or} contract with an administrator of
6 benefits (as defined in section 8441(1) of title 5, United
7 States Code), for the purpose of administration of benefits
8 under subchapter V of chapter 84 of such title with respect
9 to Pension System participants.

10 ``GENERAL AND ADMINISTRATIVE PROVISIONS

11 ``Sec. 308. (a) The Director shall administer the Central
12 Intelligence Agency Pension System except for matters (other
13 than matters to which section 306 of this Act applies)
14 relating to the Thrift Savings Plan provided in subchapters
15 III and VIII of chapter 84 of title 5, United States Code,
16 and matters (other than matters to which section 307 of this
17 Act applies) relating to disability benefits under subchapter
18 V of such chapter. The Director shall, with respect to the
19 Central Intelligence Agency Pension System, perform the
20 functions and exercise the authority vested in the Office of
21 Personnel Management or the Director of such Office by such
22 chapter 84, and may issue regulations for such purposes.

23 ``(b) Section 201(c) shall apply to determinations of the
24 Director under the Central Intelligence Agency Pension System
25 which, if made by the Office of Personnel Management under

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1 chapter 84 of title 5, United States Code, the Director of
2 such Office, or an administrator of benefits (as defined in
3 section 8441(1) of such title), would be appealable to the
4 Merit Systems Protection Board, to such Office, or to the
5 Director of such Office.

6 ``TRANSITION PROVISIONS

7 ``Sec. 309. The Director shall issue regulations
8 providing for the transition from the Central Intelligence
9 Agency Retirement and Disability System to the Central
10 Intelligence Agency Pension System. For this purpose, the
11 provisions of sections 8471, 8472, and 8473 of title 5,
12 United States Code, relating to the Civil Service Retirement
13 and Disability System and contributions, deposits, pay
14 computations, service credit, and disability retirement under
15 such system shall be deemed to refer in like manner to the
16 Central Intelligence Agency Retirement and Disability System
17 and contributions, deposits, pay computations, service
18 credit, and disability retirement thereunder.

19 ``REFERENCES IN OTHER LAWS

20 ``Sec. 310. References made to participation in the
21 Federal Retirement System in sections 8113(c), 8475,
22 8704(a)(2), and 8705(e) of title 5, United States Code,
23 section 210(a)(5)(H) of the Social Security Act, and section
24 3121(b)(5)(H) of the Internal Revenue Code of 1954 shall be
25 deemed to refer to participation in the Central Intelligence

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1 Agency Pension System.''.

2 Redesignate the succeeding title and sections

3 accordingly.